

# The Washington State Vehicle Industry

## Department of Licensing

### NEWS BULLETIN

September 2012

#### Introduction

By David Walker



It's hard to believe another year has nearly passed us by and we're entering the throes of winter again. 2012 has been an exceptionally busy year for the Vehicle Dealers and Manufacturers program. We've been through a physical relocation to the Black Lake Boulevard campus in Olympia, updated several on-line manuals, implemented legislation, added another investigator position in Eastern Washington, absorbed e-permitting into our program, and made fixes to the e-permitting system.

We have several new projects on our radar as we move into the New Year. These include developing online law reference manuals for all the programs we regulate, continuing to work with the Department of Ecology on California Emission standards and dealer compliance with those standards, the language clean-up for RCW 46.55 for registered tow trucks, possible new legislation to strengthen the laws around metal theft, and improving our communication with licensees through the Listserv service. Several of these subjects are talked about in this newsletter edition and the articles will shed more light on where we are going.

One of our more important projects has been the hand-off of independent dealer education to the associations. You may recall from the last newsletter that our program area experienced budget cutbacks and staffing impacts, so we had to look for cost-cutting ideas. Historically our investigators spend two to three hours on-site certifying new independent dealers and providing training. Through the education hand-off to WSIADA in September 2012, and our anticipated hand-off to the newly formed WADCSA sometime in early 2013, we will cut the investigators' time down to 15 to 20 minutes on-site. Additionally, we are looking to bring on more electronic work methods so our investigators are able to spend more time on issues needing the most attention and less time on paperwork.

While on the dealer education subject, I want to mention the rule we are developing with WASIADA and WADCSA. RCW 46.70.079 provides a very loose framework in terms of education development and delivery. Now that two independent dealer associations want to provide dealer education it's important to develop a solid framework to maintain quality and consistency. Stakeholders have met with the department and we are in the final stages of developing the language and moving forward to public hearing on the matter. We'll inform our stakeholders of our progress via our Listserv. (An article below tells you how to sign up.) I hope to have the rule in place by January 2013.

As always I would like to hear your questions and concerns as we move forward and continue to find better ways of doing business. Feel free to email me at [dwalker@dol.wa.gov](mailto:dwalker@dol.wa.gov)

Happy Holidays everyone!

Dave

## What's New

### Reminder: New legislation affecting your industry

The following fees were impacted with passage of EHB 2660 in the 2012 Legislature, and go into effect **October 1, 2012**.

The revenues listed provide funding for the operation and maintenance of the State's transportation system.

Category	Current Fee	New Fee	Difference
Abstract of Driver's Record (ADR)	\$10	\$13	\$3
Certificate of Ownership (title) Application	\$5	\$15	\$10
Original Issue License Plate	\$0	\$10	\$10
Motor Vehicle Dealer Plate (original)	\$33	\$43	\$10
Vehicle Manufacturer Plate (original)	\$33	\$43	\$10
Manufactured Home Travel Trailer Dealer Plate (original)	\$33	\$43	\$10
Motorcycle Dealer Plate (original)	\$33	\$43	\$10
Miscellaneous Trailer Dealer Plate (original)	\$33	\$43	\$10
Late Title Transfer Penalty	\$25 to \$100	\$50 to \$125	\$25
Original Issue Motorcycle License Plates	\$0	\$4	\$4
Motorcycle Replacement License Plates	\$2	\$4	\$2
Vehicle Dealer Original License	\$750	\$975	\$225
Vehicle Dealer License Renewal License	\$250	\$325	\$75
Electric Vehicle Fee	\$0	\$100	\$100
Vehicle Dealer Negotiable Documentary Service Fee (sunset provision removed)	Up to \$150	Up to \$150	n/a

## Licensee Information

### California Vehicle Emission Standards in our State

*By Lewis Dennie*

This article is a reminder to dealers of the California emission standards adopted by the 2005 Washington State Legislature.

Starting with 2009 models, all new cars, light-duty trucks, SUVs, and passenger vans must meet California emission standards. The law prohibits a Washington vehicle dealer from leasing or selling a vehicle for use and registration in the State of Washington unless it meets California emission standards or the exemptions listed below.

To stay in compliance dealers must examine the title or the vehicle to confirm it complies with California emission standards. Failure to do so will subject the dealer to enforcement action by the Department of Licensing and possibly the Department of Ecology. Both agencies have a shared responsibility to monitor dealer compliance. The Department of Ecology has reported to DOL that some dealers are still selling vehicles that are not California emission compliant.

The following are the limited exceptions to this law:

- The vehicle was previously registered in Washington and has exceeded 7,500 miles on the odometer when the vehicle is acquired by the dealer.
- Military tactical vehicles.
- Vehicles sold for registration and use out-of-state.
- Some emergency vehicles.

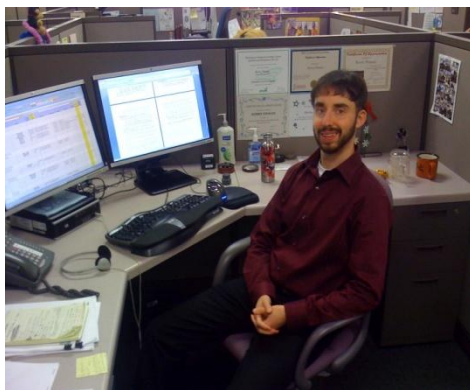
There may be situations where our program determines it is in the best interest of all parties to have a dealer “unwind” the sale, and it will be the dealer’s responsibility to do that. We prefer to have the dealers exercise diligence in preventing these illegal sales from occurring.

More information on California emissions standards:

- Department of Licensing link:  
<http://www.dol.wa.gov/business/vehiclevesseldealer/dlrcleancar.html>
- Department of Ecology link with detailed information:  
<http://www.ecy.wa.gov/programs/air/cleancars.htm>
- Laws
  - RCW authority: 46.16A.60(4)(5), 46.37.540, 46.70.101(1)(b)(i)
  - WAC 173-423-060

## **E-Permitting Update**

*By Chuck Coach*



As many of you know, the e-permitting program has been transferred to Dealer Services, effective August 16. I am very pleased that Kerry Finnan (pictured left), the program’s customer service specialist, has joined Dealers to continue with this responsibility. His thoughtful consideration of a complex range of responsibilities with the e-permitting system has made the transition seamless.

This new approach to the issuing of dealer temporary permits reflects both the essential and critical role the

Internet now plays in meeting customer needs. We want the new system to work for you and provide the service you need in a timely and efficient manner. For some time now we have been assessing the e-permitting system and the enhancements needed to reach this goal. In late 2011

our Information Services Division began working with stakeholders to isolate user problems and identify solutions:

- System users suggested that once a VIN is entered into the e-permitting system, it would help to flag the permit and then notify the dealer of its issuance if the same VIN is input again. Accordingly, we added an application feature that checks to see if the vehicle has an active e-permit. When users enter a VIN number that has an active e-permit, they will be given the option to reprint the e-permit or purchase a new one.
- System users also requested additional ways to tell the user when an e-permit is printing. This would help prevent the accidental printing of a permit. As a result, we updated the process to print e-permits during the application phase. The new process will give users a better sense of place while guiding them through the printing process.
- System users explained that there was nothing more frustrating than entering information in the e-permitting system, only to lose it due to time limitations! Consequently, we increased the application time-out so users have more time to complete the application process without having to continuously log into the system.
- System users who access the site from a bookmark created within the application will be redirected to Secure Access Washington (SAW) and be prompted to logon.
- We improved the error message users receive when they try to purchase expired e-permits.

In addition, system users explained that it takes a great deal of time – and can also be difficult – to print the e-permit due to the incompatibility of the printing software used by the dealership and the system used by the Department. Dealerships have requested a system change which would adapt to each dealer’s printing software. Although the challenges here are enormously complex, the Department has continued in its efforts to address this issue. Phase 2, which is scheduled for release in January 2013, will establish the generic interface between e-permitting and the user software companies which provide the linkage to the dealer industry.

Our aim is to clearly identify business needs and what technology the dealer will need to ensure access to the e-permitting system. Changing technology creates a unique opportunity for both the Department and the industry to work together to identify problems of mutual concern and then act in concert in a manner that serves the public’s best interests. The Department and the dealer industry remain committed to working together to ensure that all customer needs are met.

Please visit <http://www.dol.wa.gov/business/vehiclevesseldealer/epermit.html> for frequently asked questions and how to get started.

## **Vehicle Dealer Manual**

After much time and effort, the Vehicle Dealer Manual has been updated. We hope you’ll find it streamlined and more user friendly. You can find the manual on our website, or by clicking on the [Vehicle Dealer Manual](#) link.

## Vessel Dealer Manual

The Vessel Dealer Manual is currently being updated. We plan on having this completed soon. Please check our web page for updates. We will also send out a notice via Listserv when the updated version is on our web page. So, if you haven't signed up for Listserv, we encourage you to do so.

## What is Listserv?

Listserv is a free and automated e-mail distribution service through which we distribute information to our licensees. It's economical and ensures you get updates in a timely manner.

- What does it mean to you as a Licensee?
  - Receiving information in addition to the Newsletter means you will receive **critical information** from us in a timely manner on hot topics that affect you.
  - **Ensure the integrity of your license** by keeping up to date on any changes to statutes, changes in the Department, and other information for licensees. The Newsletter is the primary means that Dealer Services will be communicating important information to you.
- How do I sign up for Listserv?
  - Click on the appropriate link below, and then follow the directions on the page:
    - [Dealers of Vehicles, Snowmobiles, ORVs and Miscellaneous Dealers, please click here to sign up for Listserv](#)
    - [Registered Tow Truck Operators, Transporters, Wreckers, Scrap Processors, and Hulk Haulers, please click here to sign up for Listserv](#)

## **Regulatory Activity**

### Complaints and Disciplinary Activity

Closed complaint cases from April 2012 through August 2012:

<b>Name</b>	<b>Finding</b>	<b>Action</b>
<b>John Boys Auto Wrecking and Towing – Toppenish</b>	Failed to timely submit monthly wrecker reports to DOL for vehicles acquired.	Fined \$2,000.
<b>Calbag Steel, LLC – Portland, OR</b>	Unlicensed Wrecker Activity.	Fined \$43,000, with \$21,500 stayed (not imposed) as long as respondent becomes a licensed vehicle wrecker within 1 year.
<b>Ace Auto</b>	Parked numerous vehicles outside the	Fined \$11,250, of which \$5,625 is stayed

<b>Wrecking – Longview</b>	wrecking yard (violation of RCW 46.80.130).	(not imposed).
<b>Alexander’s Metals, Inc. – Sultan</b>	Failed to obtain a bill of sale for 94 catalytic converters.	Fined \$500.
<b>Tri-City Car Sales, LLC – Kennewick</b>	Failed to: <ul style="list-style-type: none"> <li>• Properly disclose the documentary service fee on a purchase order.</li> <li>• Disclose that a \$150 fee was added as a documentary service fee, but rather used the industry term “doc fee”.</li> <li>• Properly disclose the trauma care fee on the purchase order.</li> </ul>	Fined \$500.
<b>Jose Francisco Rodriguez – Yakima</b>	Unlicensed dealer activity.	Cease and desist, and fined \$2,000.
<b>Fathi Y. Mustafa – Seattle</b>	Failed to comply with the laws pertaining to the issuance of dealer temporary license permits, and altered a temporary vehicle permit.	Fined \$250.
<b>Manor Highway Auto, Inc. – Vancouver</b>	Late title transfers for 19 vehicles and failed to complete consignment agreements for 11 vehicles.	Fined \$30,000 and vehicle dealer license #7003 is suspended for at least 30 days. The license will remain suspended until the titles to the vehicles are transferred into the names of the purchasers.
<b>All Star Automotive, Inc. – Tacoma</b>	Failed to include information in the purchase order agreement, which led to a vehicle being repossessed.	Fined \$500.
<b>Harry’s Towing – Marysville</b>	Failed to maintain: <ul style="list-style-type: none"> <li>• A record of the 2<sup>nd</sup> bid amount on 8 abandoned vehicle auction bid sheets.</li> <li>• The name, address, and telephone number of the 2<sup>nd</sup> bidder on 17 abandoned vehicle auction bid sheets.</li> </ul>	Fined \$2,000, which is stayed (not imposed) as long as there are no similar violations for 1 year.
<b>D &amp; D Towing and Transport, Inc. – Centralia</b>	<ul style="list-style-type: none"> <li>• Falsified an abandoned vehicle report to misrepresent a vehicle as a privately impounded and abandoned vehicle.</li> <li>• Failed to have personnel present during normal business hours who were able to release impounded vehicles.</li> <li>• Failed to timely complete the master log, maintain a copy of the newspaper advertisements for auctions. Failed to submit a list to the Washington State Patrol for vehicles to be</li> </ul>	9 day suspension and fined \$500.

	<p>auctioned. And failed to post the current towing and storage charges in a conspicuous and accessible location.</p> <ul style="list-style-type: none"> <li>Failed to maintain transaction files and the master log for the year 2011.</li> </ul>	
<b>City Wide Towing</b> – Lynnwood	Finding: Failed to send abandoned vehicle reports to DOL, and failed to send a copy of the abandoned vehicle report within 14 days of the sale of an abandoned vehicle at public auction.	Fined \$1,000.
<b>Ricky Zeko</b> – Puyallup	Unlicensed dealer activity.	Cease and desist, and fined \$25,000.
<b>Viktor N. Vladimirov</b> – Vancouver	Unlicensed dealer activity.	Cease and desist, and fined \$7,000 with \$3,500 stayed (not imposed), as long as respondent doesn't engage in the business of a vehicle dealer without a vehicle dealer license.
<b>Highland Motors</b> – Bellevue	<ul style="list-style-type: none"> <li>Sold a vehicle prior to having a signed consignment agreement and possession of the title. Failed to pay the owner of the vehicle within the required time frame.</li> <li>Forged the vehicle owner's name on the Affidavit of Lost Title for the vehicle.</li> <li>Failed to maintain vehicle transaction files at the established place of business for 5 vehicles.</li> </ul>	Dealer license #7115 is revoked for 5 years.
<b>Hector's Car Corner, Inc.</b> – Centralia	Late title transfers and failed to have possession of titles at the time of sale.	Fined \$5,000, with \$2,000 stayed (not imposed).
<b>Satbinderspal Singh Ghag</b> – Kent	Unlicensed dealer activity.	Cease and desist, and fined \$7,000.
<b>East Side Auto Sales, Inc.</b> – Woodinville	<ul style="list-style-type: none"> <li>Late title transfers.</li> <li>Falsified date of sale and date of delivery.</li> <li>Issued a hard copy dealer temporary permit, and failed to use the application copy of that permit to apply for transfer of title into the name of the purchaser.</li> <li>Failed to provide the Department of Licensing records of the acquisition and distribution of that dealer temporary permit.</li> </ul>	Fined \$2,500.
<b>Dependable Car Sales</b> – Auburn	<p>Sold a vehicle without:</p> <ul style="list-style-type: none"> <li>Clearly disclosing in writing</li> </ul>	Fined \$1,000.

	<p>on the purchase order agreement that the vehicle was an insurance salvage rebuilt.</p> <ul style="list-style-type: none"> <li>• Obtaining a Washington State Patrol vehicle inspection.</li> <li>• Applying for a receiving a certificate of ownership for the vehicle prior to the sale.</li> </ul>	
<b>Denchel Car Sales</b> – Prosser	Late title transfers.	Fined \$2,500.
<b>Auto Resources</b> – Seatac	Falsified the date of sale on a vehicle sale.	Fined \$1,000.
<b>Auto Boys Sales &amp; Service, Inc.</b> – Tacoma	Late title transfer.	Fined \$500.
<b>Nai Xuan, Tong Zhao, and Tony Kim, aka WOTC Scrap Metal Repackaging</b> – Lakewood	Unlicensed wrecker activity.	Cease and desist, and fined \$900 (\$450 stayed).
<b>Shannon Doah Poeschl</b> – Centralia	Unlicensed wrecker activity.	Cease and desist, and fined \$7,500.
<b>Cedar Lanmon</b> – Tacoma	Unlicensed wrecker activity.	Cease and desist, and fined \$1,000.
<b>Brian Cales</b> – Arlington	<p>Failed to:</p> <ul style="list-style-type: none"> <li>• Submit monthly reports to DOL by the 10<sup>th</sup> of the month following the acquisition of vehicles.</li> <li>• Store the wrecking yard inventory and major component parts within the wrecking yard.</li> <li>• Mark vehicles and major component parts with yard numbers, and acquired vehicles without the proper documentation.</li> </ul>	Fined \$1,000 with \$500 stayed (not imposed).
<b>Granite Falls Towing, LLC</b> – Granite Falls	Failed to remit surplus funds to the State of Washington.	Fined \$1,000, which was stayed (not imposed).
<b>Carl's Towing &amp; Muffler, Inc.</b> – Sedro Woolley	Conducted an abandoned vehicle auction and failed to record bidder information for 3 vehicles sold at the auction.	Fined \$325.
<b>Carl's Towing Burlington</b> – Sedro Woolley	Failed to keep records of bid offers for vehicles sold at auction.	Fined \$500.
<b>Roman Stefan Tomsinski</b> – Olympia	Unlicensed dealer activity.	Ordered to permanently cease and desist, and fined \$5,000.



<b>The Sweat Shop –</b> Spokane	Failed to disclose a vehicle was rebuilt.	Fined \$1,000 with the total amount stayed (not imposed).
<b>Sunny Valley Sales –</b> Centralia	Sold a vehicle without clearly disclosing in writing on the purchase order agreement that the vehicle was a “rebuilt”.	Fined \$500.
<b>Alejandro Leon Pena –</b> Centralia	Unlicensed dealer activity.	Ordered to cease and desist, and fined \$9,000.
<b>Mega Motors –</b> Snohomish	Failed to comply with the established place of business requirements.	Vehicle dealer license #0112 is suspended.
<b>Lopez-E-Auto Sales –</b> Yakima	Sold a vehicle without clearly disclosing in writing on the purchase order agreement that the vehicle was an insurance salvage rebuilt.	Fined \$1,000.
<b>Hans-Heinz Uwe Lang –</b> Snohomish	Unlicensed dealer activity.	Ordered to permanently cease and desist, and fined \$4,500 (\$2,500 stayed).
<b>Best Autos, LLC –</b> Auburn	<ul style="list-style-type: none"> <li>• Nine late title transfers, and sold 6 of the 9 vehicles without possessing the title at the time of sale.</li> <li>• Submitted falsified odometer statements.</li> <li>• Sold an insurance salvage vehicle and transferred the title 38 days late, without possessing the title at the time of sale.</li> </ul>	Fined \$15,000, with \$5,000 stayed (not imposed).
<b>Bellevue Auto Sport, LLC –</b> Bellevue	<ul style="list-style-type: none"> <li>• Failed to maintain a commercial location, business hours, a telecommunications system, a permanent sign, and records.</li> <li>• Late title transfers.</li> <li>• Falsified the date of sale on a vehicle title application when transferring the title.</li> <li>• Issued 2 dealer temporary permits on a late title transfer.</li> </ul>	Vehicle dealer license #7799 is suspended until they comply with the established place of business requirements, and fined \$2,500.
<b>Baydo Chevrolet –</b> McKenna	Failed to disclose that a vehicle had frame / unibody damage.	Fined \$1,000.
<b>Montgomery Scrap Processing –</b> Bellingham	<ul style="list-style-type: none"> <li>• Was in possession of 22 vehicles that he didn’t have approved ownership documentation.</li> <li>• Certified a vehicle was destroyed when the vehicle wasn’t actually destroyed.</li> <li>• Failed to destroy a vehicle acquired from a customer, and instead transferred ownership of that vehicle to a part-time employee.</li> <li>• Admitted to accepting 6</li> </ul>	Fined \$16,500 and the scrap processor license is suspended for 1 year (120 days of suspension was served, and the remainder is stayed for 3 years).

	alleged stolen vehicles into his scrap processing business without any ownership documentation.	
<b>Act Towing Enterprises, Inc.</b> – Long Beach	Didn't receive a bid, nor was the successful bidder at auction for 23 vehicles; and failed within 45 days to apply for title or sell the vehicles to a licensed wrecker, hulk hauler or scrap processor.	Fined \$23,000 with \$20,500 stayed (not imposed) if they properly dispose of all vehicles from the property by October 1, 2012.
<b>Manuel G. Munoz</b> – Kent	Unlicensed dealer activity.	Ordered to cease and desist, and fined \$16,000.
<b>Kero's Auto Brokers</b> – Edmonds	Late lien holder payoff.	Fined \$1,000.
<b>Sparky's Towing, Inc.</b> – Lynnwood	Failed to: <ul style="list-style-type: none"> <li>• Maintain a copy of right of redemption forms.</li> <li>• Maintain bid sheets.</li> <li>• Maintain a copy of the published notice of public auction.</li> <li>• Fax auction information to their Washington State Patrol business inspector.</li> <li>• Process abandoned vehicle reports in a timely manner.</li> <li>• Maintain authorization of impound forms.</li> <li>• Itemize charges.</li> <li>• Post a rate sheet with current charges.</li> <li>• Meet secure storage yard requirements.</li> <li>• Remit surplus funds to DOL in a timely manner.</li> <li>• Submit a satisfactory inspection certificate from the Washington State Patrol, and overcharged storage fees.</li> </ul>	Fined \$13,500 with \$6,750 stayed as long as similar violations are not committed for 1 year.
<b>Golden Pheasant Auto Wrecking, Towing &amp; Repair</b>	Misused transporter plates.	Voluntarily surrendered Transporter license plates.
<b>Sunwest Enterprises</b> – Yakima	Late title transfers, and failed to have possession of titles at time of sales.	Fined \$1,750.
<b>Maricela Santos</b> – Moxee	Unlicensed dealer activity.	Ordered to cease and desist, and fined \$5,000.
<b>Ruddell Lease-Sales, Inc.</b> – Port Angeles	Wholesaled vehicles to individuals who do not have a vehicle dealer license.	Fined \$2,000, which is stayed as long as they don't commit further violations for 1 year.
<b>Meridian Auto Sales</b> – Graham	Sold 3 vehicles without clearly disclosing the rebuilt brand on the face	Fined \$1,500.

	of the Purchase Order Agreements.	
<b>Dream City Sportscars, Inc. – Bothell</b>	<ul style="list-style-type: none"> <li>Failed to transfer funds into a trust account</li> <li>Failed to pay off lien holder within 10 days from the date of sale.</li> <li>Failed to pay off a consignor within 10 days from the date of sale.</li> <li>Late title transfers</li> <li>Issued a second E-Permit without authorization from Department of Licensing.</li> <li>Issued several tax warrants from the Department of Revenue for unpaid taxes for a total of \$272,491.07.</li> </ul>	Dealer license #0819 is revoked for 2 years.
<b>Jason Carrington – Granite Falls</b>	Unlicensed dealer activity	Ordered to cease and desist, and fined \$4,500.

Disciplinary actions are also available on the Department of Licensing's [website](#) and through the [Business and Professional License Search](#).

<p><b>If you have questions or comments or there are topics or issues you'd like addressed in the next edition of the Vehicle Industry Newsletter? Please email <a href="mailto:kzuchlewsk@dol.wa.gov">kzuchlewsk@dol.wa.gov</a></b></p>			
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